



*United States Attorney  
Southern District of New York*

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**U.S. CHARGES TERESA V. FERNANDEZ WITH MAKING FALSE  
STATEMENTS TO THE SECURITIES AND EXCHANGE COMMISSION**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced the indictment yesterday of TERESA V. FERNANDEZ for making false statements to the Securities and Exchange Commission. The Indictment charges that in July 2000, TERESA V. FERNANDEZ falsely failed to disclose the existence of a trust fund that she controlled in the Isle of Man at the time of her settlement of a civil action brought against her by the Commission.

According to the court record for that civil action, in 1996, the Commission filed a complaint in the United States District Court for the Southern District of New York charging that TERESA V. FERNANDEZ, an investment adviser, misappropriated over \$64,000,000 of her clients' funds. On January 2, 2001, the District Court entered a final judgment on consent against TERESA V. FERNANDEZ, holding her liable for disgorgement of \$2,844,883 in ill-gotten gains, plus pre-judgment interest. However, under

the terms of the consent judgment, payment of all but approximately \$1,000,000 of that amount was waived, and no civil penalties were imposed, based on a sworn declaration of financial condition which TERESA V. FERNANDEZ submitted to the Commission.

The Indictment filed against TERESA V. FERNANDEZ today alleges that she failed to disclose the existence of a trust fund at Barclays Private Bank & Trust, in the Isle of Man, in her declaration of financial condition.

Mr. KELLEY praised the Securities and Exchange Commission for its assistance and cooperation in the investigation of this case.

Assistant United States Attorney SARAH LAI is in charge of the prosecution.

The charge contained in the Indictment is merely an accusation, and the defendant is presumed innocent unless and until proven guilty.

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